



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 11/7/2008

GAIN Report Number: BR8636

Brazil

Agricultural Situation

Brazilian Ministry of Agriculture's

Ten-Year Projections

2008

Approved by:

Alan Hrapsky, Agricultural Counselor
U.S. Embassy

Prepared by:

Julie Morin, Agricultural Attache

Report Highlights:

The Brazilian Ministry of Agriculture recently published a study "Projections of Agribusiness 2008/2009 to 2018/2019" which contains long-term projections for the agricultural sector. Projections cover 18 agricultural commodities and agricultural trade. Highlights include projections that Brazilian agricultural and livestock production will grow 25% and Brazil's market share of world meat and poultry exports will double in the next ten years.

Includes PSD Changes: No

Includes Trade Matrix: No

Trade Report

Brasilia [BR1]

[BR]

Brazilian agricultural and livestock production will increase 25% in the next ten years according to recently revised Ministry of Agriculture projections. These projections are based on a study, Projections of Agribusiness 2008/2009 to 2018/2019, which analyzed 18 commodities and concluded that the commodities with the most growth potential are soy, wheat, corn, meat and poultry, ethanol, soyoil and milk. Grain production is expected to expand over 40 million metric tons (mmt) from 140 mmt in 2007/2008 to 180 mmt in 2018/19, an increase of 29%. Livestock production is forecast to jump 12.5 mmt from 25 mmt to 37 mmt, soaring 52%. Government officials consider these estimates to be conservative and note that the study has incorporated the effects of the present world financial crisis. They further stress that this increased production could be achieved through technological gains and do not depend on a large expansion of planted area.

Besides increased production, the study predicts that Brazil will strengthen its position as a world leader in agricultural exports. Beef exports are expected to surge from 2.4 mmt to 4.6 mmt, an increase of 93%. This would boost Brazil's beef market share of world exports from 31% to 61%. Similar increases in export market share are forecast for pork, poultry and corn.

In addition to production and exports, the study projected greater domestic consumption based on a large and growing domestic market. Consumption of grains is projected to increase 20%, while meat consumption is forecast to expand by one-third. Most of the increase in corn production is expected to be destined for the domestic market to feed the huge demand of meat and poultry producers.

1) Brazilian Agricultural Production

Crop	Production (1,000 MT) 2007/08	Production (1,000 MT) 2018/2019 (forecast)	% Change
Rice	12,112	13,468	11.2
Corn	58,586	73,249	25.0
Soybeans	60,072	80,914	34.7
Wheat	5,414	7,886	45.7
Cotton	1,564	1,569	0.3
Sugar	32,783	47,338	44.4
Meats	Production (1,000 MT) 2007/08	Production (1,000 MT) 2018/19 (forecast)	% Change
Beef	10,383	15,512	49.4
Pork	3,107	4,252	36.9
Chicken	11,139	15,512	49.4
Others	Production (Million Liters) 2007/08	Production (Million Liters) 2018/19 (forecast)	% Change
Milk	27,399	36,879	34.6
Ethanol	21,500	58,800	173.7

Source: Ministry of Agriculture (MAPA), November 2008.

2) Brazilian Agricultural Exports

Crop	Exports (1,000 MT) 2007/08	Exports (1,000 MT) 2018/19(forecast)	% Change
Corn	11,554	22,907	98.3

Soybeans	25,750	36,461	41.6
Cotton	520	687	32.1
Sugar	21,000	32,637	55.4
Meats	Exports (1,000 MT) 2007/08	Exports (1,000 MT) 2018/19 (forecast)	% Change
Beef	2,400	4,626	92.8
Pork	625	1,113	78.2
Chicken	3,615	6,602	82.6
Others	Exports (Million Liters) 2007/08	Exports (Million Liters) 2018/19 (forecast)	% Change
Ethanol	3,497	11,292	222.9

Source: Ministry of Agriculture (MAPA), November 2008